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FEDERAL COMMUNICATIONS COMMISSION

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FIELD HEARING

Federal Communications Commission
Office of the Secretary

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BROADCAST LOCALISM HEARING

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CHARLOTTE, NORTH CAROLINA

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CHAIRMAN POWELL PRESIDING

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WEDNESDAY, OCTOBER 22, 2003

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P R O C E E D I N G S

5:35 P. M.

1 CHAIRMAN POWELL: Good evening, Ladies and
2 Gentlemen, and welcome to the first public hearing of the
3 Federal Communications Commission on localism in
4 broadcasting.

5 This event also serves as a fact-gathering inquiry
6 to coincide with your local broadcasters' licenses coming up
7 for FCC renewal, as they do every eight years.

8 My name is Michael Powell; I serve as chairman of
9 the Federal Communications Commission. I am joined by my
10 two distinguished colleagues, to my right, Commissioner Mike
11 Copps, and to my left, Commissioner Jonathan Adelstein.

12 I also want to express my regrets that our other
13 two colleagues cannot be here, Commissioner Abernathy, who
14 has an illness in the family, and Commissioner Martin, who
15 has another commitment.

16 Before we get started in earnest, I have the
17 distinct pleasure of introducing the Mayor of Charlotte who
18 has been terrific in bringing us to his town, the Honorable
19 Patrick McCrory. Mayor?

20 MAYOR MCCRORY: Mr. Chairman, Commissioners,
21 welcome to Charlotte, North Carolina. And I also, Mr.
22 Chairman, need to also give my best to the Secretary of
23 State and just let him know that we really appreciate not
24 only the work he's doing for our country and for our world,
25 but we also want to let him know we haven't forgotten about

1 America's Promise. He's been very active in our local
2 America's Promise efforts, and we really do appreciate that
3 very much.

4 On behalf of the City of Charlotte we'd like to
5 welcome you to the 19th largest city in the United States of
6 America, the second largest financial center, and the home
7 of the almost undefeated Carolina Panthers, and home in the
8 near future to the Charlotte Bobcats, and also I must also
9 say the Charlotte 49er basketball team.

10 But it's a city we're very, very proud of. We
11 have a population of 610,000 people in an area of about 280
12 square miles. And your job is very important for Charlotte
13 and our future because communications and the media and the
14 interaction with the public is a very, very important
15 priority for us all, as it is in most cities.

16 As the hearings unfold today you are going to hear
17 from many voices because Charlotte is not afraid to speak
18 out, but we will do it in a very, very professional and
19 respectable way.

20 I would like to make you aware I also represent
21 mayors from throughout the country as a member of the Board
22 of Directors of the U.S. Conference of Mayors. And I just
23 want to briefly take advantage of this welcome, if you don't
24 mind, Mr. Chairman, to mention two issues that are important
25 to this mayor and also mayors throughout the nation, and

1 that is especially with the issue of homeland security.

2 At this point in time we need to solve the
3 interference issue so channels for our emergency responders
4 are no longer intermingled among and adjacent to commercial
5 channels. This is extremely important to our first
6 responders in this region and throughout the regions
7 throughout the United States.

8 Your support of the consensus plan which is
9 supported by all of the top organizations of the first
10 responders' profession will help enhance public safety by
11 realigning the 800 megahertz system into two distinct
12 blocks, with one for public safety and the other one for
13 wireless carriers.

14 This will virtually eliminate any chance of
15 interference, and once again provide reliability in the
16 first responder communication system without costing local
17 governments millions of dollars.

18 As a member of -- as a new member of Secretary
19 Ridge's Homeland Security Commission, communications is one
20 of the most vital parts of homeland security, and your role
21 in that effort is very, very important to us all. So I ask
22 for your support of the consensus plan and the subsequent
23 funding to address this homeland security issue.

24 In addition to the public radio spectrum issue,
25 your rule-making decisions in the area of cable modems and

1 internet service will have a direct impact on the financial
2 well being of cities throughout the United States.

3 Local governments are presently unable to collect
4 franchise fees because of a recent ruling in 2002
5 classifying cable modem services as information rather than
6 cable or telecommunications services. This is talking about
7 our right-of-ways which has been our property which we get a
8 fair return of dollars for. And that basically renews that
9 while at the same time we're getting many unfunded mandates
10 from the Federal Government. We're having our revenue
11 stream taken away from cities throughout the United States.

12 This has caught us quite off-guard, and in
13 Charlotte alone reduces revenues from the \$5 million we
14 currently collect from cable franchises.

15 I'm worried about the slippery slope of unfunded
16 mandates that will continue to happen, in addition to the
17 slippery slope of what's next regarding taking funding away
18 from getting money from our right-of-ways. I did want to
19 make you aware of that, although I know you're here to talk
20 about primarily some other issues of important legislation,
21 and I do want to recognize that.

22 I do want to say something about our media outlets
23 here in Charlotte. Overall I want to compliment them
24 because they've been extremely responsive in most cases to
25 our public needs, especially during emergencies.

1 Even on 9-11 we had incredible evacuation from our
2 high rise towers because we are the second financial center
3 in the United States, and most people don't realize that.
4 But on 9-11 we had people evacuating our high rise buildings
5 and our media and other people involved helped communicate
6 exactly what we needed them to do during 9-11.

7 And also we needed their help during hurricanes
8 and ice storms and other types of activities, and they've
9 all been extremely cooperative when we, the City, have asked
10 for their assistance, whether it be the TV stations or the
11 radio programs, and we've been very complimentary of them.
12 And they've also continued to provide us good public
13 service.

14 I will say this in Charlotte. There's a very
15 strong community norm of responsibility that is not only put
16 on public servants like myself, but also on the media. And
17 if you cross that norm and you don't get involved in this
18 community, the market and the community will respond and
19 they will respond in many different ways, both with their
20 pocket books, with people speaking out against them if they
21 don't take full responsibility and care for our city.

22 Because we have a firm belief in Charlotte that
23 when you come here, you can make a living, but you also must
24 care for the current and future of Charlotte, and you must
25 make it a better place in which to live, work, and raise a

1 family, and that includes the media organizations.

2 We do listen to the marketplace. I say this
3 rather lightly, but an example of that is The Howard Stern
4 Show did not make it here in Charlotte. And that to me says
5 something because we do have community values and community
6 norms that are very, very important to us. And we expect
7 the people in the media markets respond to those norms, care
8 for our community, and help educate the community in many
9 areas, including government service.

10 So on behalf of everyone in the City of Charlotte,
11 welcome, enjoy your stay here. I hope you get to visit our
12 city more. Chairman Powell, I know you got to walk in our
13 city a little bit this morning, but next time stay longer
14 and we'll give you a great tour and we'll take you to a
15 Carolina Panther football game too.

16 Thank you and may God bless each one of you.
17 Thank you very much.

18 (Applause.)

19 CHAIRMAN POWELL: Thank you, Mr. Mayor. And as a
20 Redskin fan, we're happy to be in greener pastures here in
21 Charlotte.

22 (Laughter.)

23 MAYOR McCRORY: You're coming soon.

24 CHAIRMAN POWELL: Yes, sadly. I also want to just
25 thank you and all the wonderful people of Charlotte who have

1 just extended the classic southern hospitality to the
2 Commission. It's been one of the best organized events
3 we've ever had, and I really want to extend my compliments
4 to you and to the citizens of the city.

5 With that let me begin with some opening remarks.
6 Back in August I announced an initiative on localism in
7 broadcasting. A critical part of that effort is for the FCC
8 to get out of Washington and start talking to Americans
9 about the system of broadcasting and how it serves local
10 communities.

11 We are here in Charlotte tonight to kick off a
12 series of public hearings on localism in broadcasting, and
13 to use those hearings as a part of the record we will use to
14 make decisions on whether or not to renew the licenses of
15 your local broadcasters.

16 So what is localism and why does the FCC care
17 about it? Generally speaking, localism is the
18 responsiveness of a broadcast station to the needs and
19 interests of its community. Promoting localism is one of
20 the principle reasons the FCC regulates broadcast television
21 and radio.

22 Before a radio or television station can go on the
23 air, it must receive a broadcast license from the FCC. If
24 the FCC determines the applicant is qualified to hold a
25 license, one is issued.

1 In return, however, the licensee promises to serve
2 the public interest through its property. A key part of the
3 public interest is that the broadcaster air programming that
4 is responsive to the community of license. This public
5 interest obligation applies uniquely to broadcasters and is
6 what singularly distinguishes them from cable or satellite
7 channels.

8 The FCC has promoted localism in two major ways.
9 One is by limiting the number of stations an entity can own.
10 But regardless of who owns the station, that owner is
11 legally obligated to serve the local community. This
12 inquiry here seeks to examine if that is happening, and if
13 not, to consider the actions the Commission might take,
14 including potentially not renewing an owner's broadcast
15 license for failing to serve the public interest.

16 In the past the Commission tried to promote
17 localism by requiring broadcasters to air certain kinds of
18 programming that it believed was in the public interest.
19 Over time, however, the media environment became more
20 competitive and past FCC's have relied more on free markets
21 to ensure that citizens received the programming they
22 wanted.

23 But a station's duty to serve its local community
24 has never changed. Today's hearing begins an on-the-ground
25 inspection of how our broadcast system is working for local

1 communities. Specifically we have three main objectives of
2 these hearings.

3 First, we want to hear directly from members of
4 the public on how they think their local broadcasters are
5 doing; what you do like, what do you dislike; what do you
6 think should be done differently?

7 Secondly we want to hear from broadcasters about
8 their localism efforts. I know many broadcasters are
9 justifiably proud of their work to serve their local
10 communities and we need to hear from them.

11 And third, we want to educate the members of the
12 public on how they can participate at the FCC when a local
13 station's license is up for renewal.

14 I see these hearings as an opportunity to bring
15 these license renewals to life. It is one thing for us as
16 commissioners to sit at our desks in Washington and read a
17 dry rule application; quite another to talk directly with
18 the people who listen to those stations every day.

19 We chose Charlotte as our first hearing site in
20 part because the radio and TV licenses for North Carolina
21 and South Carolina are up for renewal shortly, and we wanted
22 to begin spreading the word that renewals are not just an
23 inside the Washington Beltway phenomenon. They're open to
24 anyone who has something to say about their local stations.

25 Along these lines I have asked the FCC staff to

1 prepare a short primer on how to participate in the license
2 renewal process. Those will be available to you on the
3 tables in the back of the room. This primer is also located
4 on our website at www.fcc.gov/localism.

5 Finally I want to thank the panelists for
6 preparing testimony and joining us tonight. The
7 participation of local broadcasters is critical if these
8 hearings are to be meaningful, and I extend my sincere
9 thanks for your presence here tonight. And I want to wish
10 to thank the local groups and individuals who have agreed to
11 speak tonight as well.

12 And finally I want to extend a welcome to the
13 citizens of Charlotte who are here in attendance, as well as
14 those watching on TV or listening via the FCC's audio
15 webcast. We very much look forward to tonight's discussion.

16 With those opening remarks, let me give my
17 colleagues an opportunity to speak, and I first introduce
18 you to Commissioner Mike Copps. Commissioner?

19 COMMISSIONER COPPS: Thank you, Mr. Chairman.
20 Good evening and welcome to all. It's always a happy
21 occasion for me to return to the Carolinas, having lived for
22 a number of years just down the road in Spartanburg and
23 having many pleasant memories of being a student at Chapel
24 Hill. I am most grateful for the hospitality that we have
25 received while we are here today, grateful for everybody

1 taking the time to turn out this evening.

2 I'm particularly pleased to see Congressman Mel
3 Watt from Charlotte, the 12th Congressional District, and my
4 friend David Price from the 4th District here tonight. Both
5 of these gentlemen have shown strong and visionary
6 leadership in a host of media issues.

7 Tonight we continue a truly remarkable grassroots
8 dialogue about the future of our media. Over the course of
9 the past year we have witnessed a growing national concern
10 over what many people believe are disturbing trends in the
11 media. Citizens from all over the country, conservative and
12 liberal, republican and democrat, young and old, rural and
13 urban, north and south have come together to express their
14 concern and even alarm.

15 For many months the discussion focused on
16 ownership rules implemented by the Federal Communications
17 Commission with people asking how many or perhaps, more
18 accurately, how a few broadcast stations, media
19 conglomerates should be allowed to own, or for what purposes
20 are stations granted licenses, and how does the public
21 interest fare in the more heavily consolidated environment.
22 This ownership dialogue continues in Congress and in the
23 courts around the nation.

24 Tonight we address core media values, particularly
25 localism, from a little different perspective. But we must

1 realize, of course, that it is all part of a larger
2 discussion about protecting the people's interest and the
3 people's airwaves. No part of this grassroots dialogue can
4 be divorced from any other part.

5 As we begin this first of several Commission
6 hearings, we should return to basic principles reminding
7 ourselves that all of us own the airwaves, and the
8 corporations that are given the privilege of using this
9 precious public asset, and to profit from that use in
10 exchange for their commitment to serve the public interest.

11 Broadcasters have been given very special
12 privileges and they have very special responsibilities to
13 serve their local communities.

14 Since the 1980's, in my opinion, fundamental
15 protections of the public interest have been weakened and
16 have withered. Requirements like meeting with members of
17 the community to determine the needs and wishes of their
18 local audience, teeing up controversial issues for viewers
19 and listeners, encouraging antagonistic points of view, and
20 providing viewpoint and program diversity, to name just a
21 few of the obligations that once we had.

22 In addition we have pared back the license renewal
23 process from one wherein every three years examined very
24 rigorously whether the broadcaster was actually serving the
25 public interest, to one wherein now companies need only send

1 us a short form every eight years and generally nothing
2 more. These days getting a license renewed is pretty much a
3 slam dunk. It's not called postcard renewal for nothing.

4 So step by step, rule by rule, public interest
5 protections strike me as being weaker, much weaker than they
6 used to be. I believe this has happened at a high and
7 dangerous cost to the American people. Some call my concern
8 excessive, but I believe in my bones that the survival of
9 fundamental value hinges on the outcome of this national
10 dialogue.

11 We come to Charlotte to talk directly with members
12 of this community and region and to tap its local expertise
13 as to what is happening here. How can we possibly know if
14 licensees are serving their communities without hearing from
15 the community? Are stations adding to the civic dialogue?
16 Are they adhering to community standards, or are they airing
17 excessive amounts of indecent and excessively violent
18 programming?

19 Are they encouraging local talents and local
20 genius? Are they reaching out to minority groups within the
21 community?

22 I know we will leave here tonight knowing facts
23 and having perspectives that just wouldn't have floated into
24 us had we remained in Washington. We start with our panels
25 tonight and I would like to thank each panelist for taking

1 the time and trouble to be with us this evening.

2 What I'm especially looking forward to is hearing
3 from members of the public that have given up their evening
4 to be here to discuss the importance of local broadcasting
5 in their communities. I have seen this around the country,
6 the interest and the high value that the American people
7 place on localism in broadcasting.

8 And I think it shows how important this issue is
9 here when so many of you turn out in this room this evening
10 and I understand in the overflow rooms also. North Carolina
11 is making its voice heard, and I am enormously pleased to be
12 here to listen and to learn.

13 So I thank each of you, and I thank you, Mr.
14 Chairman, for bringing us together tonight.

15 CHAIRMAN POWELL: Thank you, Commissioner, for
16 your remarks. Commissioner Adelstein.

17 COMMISSIONER ADELSTEIN: Thank you, Mr. Chairman.
18 It's great to be here in Charlotte to begin this dialogue
19 on how well broadcasters are serving their local
20 communities.

21 I'd like to commend Chairman Powell and my fellow
22 Commissioners for bringing us together and getting these
23 historic hearings underway.

24 I think the key is, as the Chairman said, for us
25 to get outside of Washington and to hear directly from

1 people in communities like Charlotte. And we're doing a
2 series of these across the country in a very select group of
3 cities, and I just think that it's so important that we do
4 so. I also recommend that we continue to keep our eye on
5 what's happening in local communities as we go through each
6 of these license renewals.

7 I'd like to recognize Congressman Watt and
8 Congressman Price for their leadership on these issues, and
9 thank them for being here.

10 I think that it's also critical that these
11 hearings are taking place just in time for us to tell the
12 public how they can participate in this upcoming round of
13 license renewals. This is really, I think, historic that we
14 are looking at this issue at all, because these have been,
15 as Commissioner Copps outlined, a postcard process.

16 Now we're getting out here, we're taking it
17 seriously, we want to hear from people, we want to see
18 what's happening.

19 I think that the broadcasters, they're in many
20 cases doing a great job, but we need to keep people's feet
21 to the fire to ensure that they're continuing to serve their
22 local communities. I don't think most people in the public
23 are even aware that these license renewals are happening,
24 and we're here to let you know how you can get involved.

25 Tonight's hearing falls around the hearings that

1 were held around the country last spring to hear public
2 input about the media ownership rules that we have. I think
3 those hearings were tremendously valuable.

4 We heard firsthand from thousands of people, and I
5 sense that there is a real frustration out among the public
6 about the media. And one of the issues of concern was
7 localism, and I think it's appropriate that we now focus on
8 that issue head-on. And I think that we'll learn a lot
9 about that issue, even more deftly than we did last time.

10 So we're here to talk about localism and I'd like
11 to talk a little bit about what that means. Every community
12 has its local needs, its local talents, local elections,
13 local news, and local culture. And localism reflects the
14 commitment to local news and public affairs programming, but
15 it also means a lot more.

16 It means providing opportunities for local self-
17 expression, it means reaching out, developing and promoting
18 local performing artists and other local talent. It means
19 making programming decisions that serve local needs. It
20 means making sure that the coverage reflects the makeup of
21 the community.

22 I was fascinated to learn, for example, that the
23 Hispanic population in North Carolina has increased by
24 nearly 400 percent since 1990, with Raleigh, Greensboro and
25 Charlotte three of the four fastest growing Hispanic cities

1 in America. We need to know the concerns of the growing
2 Hispanic community as well as the African-American community
3 and other minority groups, that they are getting the
4 attention that they deserve through the licensed broadcast
5 outlets in this community.

6 Localism also means the station being responsive
7 to the community in other ways, such as dedicating the
8 resources to discover and address the needs of the
9 community. It means being accessible, sending reporters and
10 cameras out to all parts of the community, to all the
11 different stories, to really cover what's happening in the
12 community, documenting those efforts that they undertake for
13 the public to review in files that are accessible to
14 residents in the communities so they can know what the
15 station's doing.

16 I think there are many local broadcasters in this
17 country who have shown a long-term and a real commitment to
18 community service and to localism, and some stations do very
19 well with this, including some real standouts here in North
20 Carolina, and I think we'll hear from representatives of
21 some of those today.

22 So we're here tonight to learn how we can
23 encourage other stations to put the needs of the local
24 community first. That's the cornerstone of the public's
25 social contract with broadcasters.

1 As outlined by my colleagues, they get a valuable
2 license from the FCC to use the public airwaves, and then
3 they agree to act as a trustee for the public interest in
4 return. We don't give out those licenses simply to
5 broadcasters on a national basis like in other countries.
6 In many cases, like the BBC in England, they provide
7 nationwide licenses. Here historically we provide local
8 licenses to local communities and insisted that they serve
9 local needs.

10 So each -- you as licensees should take that
11 obligation very seriously and make sure to inform the
12 community about local elections, about political
13 controversies, about good things that are happening in the
14 community, and other matters that are related to the self-
15 governance of a democracy.

16 Thinking of my own family and my own father, for
17 example, was an elected republican state representative in
18 my home state of South Dakota, and he sees the need for the
19 media to cover these local concerns, what's happening in the
20 state government and local government.

21 And I think he's really onto something because if
22 you look at a study that was done of all the combined TV
23 coverage of the 2000 campaign, including local, state and
24 federal, all -- from the sheriff to the President of the
25 United States, 74 seconds per night is all we saw. People

1 heard a lot more from paid political ads in 74 seconds.

2 Maybe that's why half our population doesn't even
3 bother to vote. I don't think that's a very healthy thing
4 for our democracy. And half our people not voting isn't a
5 healthy democracy.

6 And the licensees of our broadcast stations have
7 an obligation to do something about it, they have an
8 obligation to cover what's happening in the community, to
9 get people aware of what's happening, to not just have them
10 get all their information from these overwhelming negative
11 ads. They need to cover local political issues.

12 So we're about to begin an in-depth examination.
13 This is the beginning of it, of how we, the FCC, can improve
14 how broadcasters serve their local communities, and we need
15 your input as we launch this investigation.

16 For example, how to hold stations accountable when
17 shock-jock programming offends community standards or harms
18 the residents. We've heard some stories about that right
19 here in North Carolina.

20 So I look forward to hearing from all the
21 excellent panelists and I want to thank them for coming from
22 all across the State of North Carolina to share their views
23 about how the local communities are being served, or how in
24 the case of the broadcasters they are serving their local
25 communities.

1 So thank you all for coming out and sharing your
2 views, and I thank the public for coming here, and I look
3 forward to hearing from you.

4 I've got a two-week baby home, so I've got to rush
5 out right afterwards to get back and make sure I'm serving
6 my own immediate local community. Thank you for your time
7 and I look forward to hearing from the witnesses.

8 CHAIRMAN POWELL: Thank you very much,
9 Commissioner Adelstein. As you've heard, we are really
10 honored to have with us two very distinguished members of
11 the United States Congress who have taken some time to come
12 and lend their support to the hearing.

13 We're going to hear from Congressman David Price,
14 Democratic representative from Chapel Hill, first elected to
15 Congress in 1986, and also Congressman Mel Watt, the
16 Democratic representative from here in Charlotte who has
17 served since 1992.

18 And I'd like to invite them first, if Congressman
19 Watt would like, to make a few remarks, and we welcome you
20 to do that, sir.

21 CONGRESSMAN WATT: I want to personally thank
22 Chairman Powell and the other Commissioners for providing
23 this opportunity for our residents to express their feelings
24 about the importance of localism in broadcasting.

25 I'm mindful that the purpose of this hearing is to

1 get the input of the people, not their representatives in
2 Congress. Consequently, my comments will be brief and I've
3 submitted a longer version of what I have to say to the
4 secretary.

5 Before proceeding to my substantive comments, I
6 want to make two brief points that may be unnecessary
7 because they are so obvious. I do so only because I think
8 they should not be taken for granted.

9 First, isn't it great to live in a country that
10 places a value on having a discussion such as this which
11 first and foremost assumes an unequivocal commitment to the
12 importance of the First Amendment and to the importance of
13 the rights the First Amendment protects, free speech and
14 free and open press?

15 What would many people around the world give to
16 have an opportunity such as this to express themselves?

17 Second, while tonight's discussion is about
18 localism in broadcasting, and you're likely to hear over and
19 over that localism is important, I think it is also
20 important to emphasize that every element of our system of
21 broadcasting plays a valuable role whether the local,
22 regional, national, print, television, radio or tech. In
23 short, the best citizen is an informed citizen.

24 Substantively, my bottom line is that localism in
25 broadcasting is extremely important. That probably became

1 obvious from a high profile source recently, the President
2 of the United States.

3 President Bush complained about how he perceived
4 that the national media was filtering good information about
5 the way things are going in Iraq, and indicated that he was
6 turning to local broadcasters to get the, quote, real story
7 out. If all of our media had been national media, that
8 option clearly would not have been available to the
9 President. This example clearly illustrates the value of
10 differing perspectives in the media.

11 I suspect you're going to hear a parade of people
12 today who agree with the President that localism is
13 important. I'll also be surprised if you don't also hear
14 that the current local and national breakdown seems to be
15 working real well in this community, which leads me to the
16 first point I want to make.

17 If the system wasn't broke, why did the FCC try to
18 fix it? Already today ten companies control the huge
19 majority of media, radio, television, books, magazines,
20 cable, internet, movies and music. One can make a good case
21 that localism was about the only thing that was keeping some
22 semblance of balance in the system.

23 So why would the FCC want to make a bad situation
24 worse by running the risk of reducing that important local
25 ingredient?

1 In short, there seems to me to be no justification
2 for the FCC's June 2 decision to allow one company in our
3 largest cities to own up to three TV stations, the daily
4 newspaper, eight radio stations, the cable system and the
5 internet sites affiliated with all of these.

6 If the decision stands, I believe fewer and fewer
7 large corporations will control more and more of our media.

8 And I believe we could expect lower standards, less
9 attention to local interest and talent, and a dramatic
10 decline in the diversity of public voices we hear, see and
11 read. I think this would be bad for our democracy. That is
12 why I have been a part of ongoing efforts in Congress to
13 reverse the 3-2 decision of the FCC.

14 I want to make a second point quickly, but with no
15 less passion. There are important elements to diversity in
16 media other than just the issue of whether local groups or
17 national corporations own the bulk of our media outlets.

18 One element that is extremely important to my
19 constituents and to me is the lack of racial minorities in
20 the media ownership. This issue was addressed eloquently by
21 Commissioner Adelstein on July 22nd in his speech delivered
22 to the Minority Media and Telecommunications Council. I
23 agree with the Commissioner that the FCC's new ownership
24 rules would likely make, quote, "the situation for
25 minorities and new entrants go from bad to worse", close

1 quote.

2 Despite representing more than 29 percent of the
3 U.S. population, minority broadcasters own only four percent
4 of the nation's commercial stations, a decline of 14 percent
5 since enactment of the Telecommunications Act of 1996; and
6 1.9 percent of the nation's commercial television stations.

7 In a report and order released by the FCC on July
8 2, 2003 and published in the Federal Register on August 5,
9 2003, the FCC stated, quote, "that encouraging minority and
10 female ownership historically has been an important
11 Commission objective and we affirm that goal here", close
12 quote.

13 Both because I think minority ownership is
14 important and because I believe minority ownership best
15 promotes a diversity of viewpoints, I simply want to
16 encourage the FCC to make -- to take this objective
17 seriously and make a real commitment to it.

18 Enough said on this issue. I thank you again, Mr.
19 Chairman, for being here. I hope you enjoy this great city,
20 and I'm delighted to have you in the 12th Congressional
21 District of North Carolina.

22 (Applause.)

23 CHAIRMAN POWELL: Thank you, Congressman Watt.
24 Congressman Price, please.

25 CONGRESSMAN PRICE: Thank you, Mr. Chairman. Let

1 me add my welcome to you and other members of the Commission
2 for holding this, the first of your nationwide hearings on
3 localism and license renewal here in North Carolina. We
4 welcome you and we appreciate the effort you have made to
5 take this show on the road, and to start out in this
6 community.

7 In a way this discussion tonight we'll continue
8 the discussion we had at Duke University in March with
9 Commissioners Copps and Adelstein when the issue was
10 localism as it pertained to media ownership.

11 I'm happy to see many familiar faces here tonight
12 from the Triangle area of North Carolina. We've known for a
13 long time how important local media are to our communities,
14 but I must say we hardly anticipated how loudly this issue
15 would resonate across the political spectrum.

16 I remember from my short-lived career in radio in
17 one of those one thousand watt stations that sprang up in
18 the 1950s, how stations were required to document their
19 local programming and public service at license renewal
20 time. Most of these rules are no more. But the need to
21 ensure the local media meet the needs of their communities
22 remain.

23 The license renewal process is an important part
24 of that, I believe, but it can't do the job alone. Network
25 executives can't do that from their corporate offices in New

1 York either. Rather, local broadcasters have a day-to-day
2 responsibility. These broadcasters are responsible for
3 programming that covers and engages their local communities.
4 Indeed, they're often at their best when they compete with
5 each other in providing such coverage.

6 Viewers and listeners have told us in overwhelming
7 numbers how much they value this local orientation and want
8 it encouraged, not smothered.

9 Localism is partly about who owns television and
10 radio stations, but it's also about how broadcasters
11 determine their programming, programming that adheres to
12 their community standards, not the standards of some reality
13 TV producer in Los Angeles or some Dixie Chicks bashing
14 political operative in Washington.

15 Just look at radio. We're living in a world where
16 one or a very few companies can control most of the stations
17 we listen to. Many local stations these days are
18 essentially run by remote control. Post-1996 deregulation
19 has not been kind to localism and radio. Why on earth would
20 we want to see television go down that same path?

21 Diversity in media isn't about 200 flavors on
22 cable or on satellite TV or radio. It's about the diversity
23 and the independence of our media, media that reflect the
24 standards and needs of our communities.

25 Americans have made their voice heard in this

1 debate and I expect we'll hear a good deal more of that
2 tonight. My thanks to the Commission for making this
3 exchange possible.

4 And, Mr. Chairman, if I might, in a demonstration
5 that concern for localism does in fact cross party lines,
6 I'd like to ask that a fine article recently from **The**
7 **Charlotte Observer** be included in the record by former
8 Senator Jesse Helms and Representative Richard Burr entitled
9 Keep Control of TV Local.

10 (Applause.)

11 CHAIRMAN POWELL: Thank you very much,
12 Congressman. I'll be happy to submit that for the record.
13 At this point I'd like to ask the secretary of the FCC to
14 please announce officially tonight's meeting.

15 SECRETARY DORTCH: Thank you, Mr. Chairman. Good
16 evening to you, Commissioners, panelists and special guests.
17 The following are the procedures for today's Localism Task
18 Force public hearing. We will utilize a time machine to
19 maintain time limits on each presentation. Each panelist
20 will have a total of three minutes to make their individual
21 presentation.

22 The green light will signal for the first two
23 minutes of your remarks. When the yellow light signals,
24 you'll have one minute remaining. At that time you should
25 sum up your presentation and closing remarks. The red light

1 signals the end of your allotted time. Please conclude your
2 remarks at that time. Thank you.

3 CHAIRMAN POWELL: Thank you, Madam Secretary. Let
4 me take a second to explain to the audience exactly how the
5 program will proceed before we get started.

6 The first panel will offer their testimony, and as
7 they are speaking, all members of the public are invited to
8 write down any questions you may have for the panelist on
9 notecards. You'll find those notecards in the packets you
10 picked up when you came in.

11 Those cards will be collected and delivered up
12 here and we'll pose as many of the questions to the
13 panelists as time permits. In addition, my colleagues and I
14 may take the opportunity to ask questions of the panelists
15 as well.

16 Following the first panel we will have an open mic
17 period, and all members of the audience are welcome to offer
18 comments or ask questions of the panelists directly. We'll
19 then take a short break, and the second panel will make
20 their presentations, again followed by questions from the
21 bench and written questions from the audience.

22 So without further ado we should get started with
23 our first panel, and let me please ask Mr. Keelor to provide
24 your opening statement. Welcome and thank you for being
25 with us.